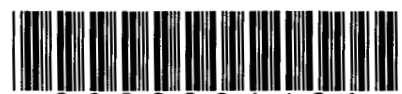


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OPEN MEETING ITEM



RECEIVED

BRIAN C. McNEIL
EXECUTIVE SECRETARY

22
COPT-5
WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

ARIZONA CORPORATION COMMISSION MAR 28 A 10:48

DATE: March 28, 2001

DOCKET NO: T-03983A-01-0066

TO ALL PARTIES:

ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
DOCKETED

MAR 28 2001

DOCKETED BY	
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Enclosed please find the recommendation of Administrative Law Judge Alicia Grantham. The recommendation has been filed in the form of an Order on:

COIN PHONE MANAGEMENT COMPANY
(CC&N/COPT)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

APRIL 6, 2001

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

APRIL 17, 2001 AND APRIL 18, 2001

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250.

BRIAN C. McNEIL
EXECUTIVE SECRETARY

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL
CHAIRMAN

3 JIM IRVIN
COMMISSIONER

4 MARC SPITZER
COMMISSIONER

5
6 IN THE MATTER OF THE APPLICATION OF
7 COIN PHONE MANAGEMENT COMPANY FOR
8 A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE CUSTOMER-OWNED
PAY TELEPHONE SERVICE IN THE STATE OF
ARIZONA.

DOCKET NO. T-03983A-01-0066

DECISION NO. _____

ORDER

9 Open Meeting
10 April 17 and 18, 2001
Phoenix, Arizona

11 **BY THE COMMISSION:**

12 Having considered the entire record herein and being fully advised in the premises, the
13 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

14 **FINDINGS OF FACT**

15 1. On January 22, 2001, Coin Phone Management Company ("Applicant") filed with the
16 Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide
17 customer-owned pay telephone ("COPT") service in the State of Arizona.

18 2. In Decision No. 55817 (December 10, 1987), the Commission found that COPT
19 providers were public service corporations subject to the jurisdiction of the Commission.

20 3. Decision No. 57797 (April 8, 1992) adopted A.A.C. R14-2-901 through R14-2-909 to
21 regulate COPT providers.

22 4. Decision No. 58535 (February 14, 1994) adopted a Generic Tariff that establishes
23 rates and minimum service standards applicable to COPT service.

24 5. Pursuant to A.R.S. § 40-282, the Commission may issue Decisions regarding COPT
25 Certificates without a hearing.

26 6. Applicant has requested that a Certificate be granted and has indicated that it will
27 provide COPT service pursuant to the rates, terms and conditions specified in the Generic COPT
28 Tariff.

1 7. Applicant is an Kentucky corporation authorized to do business in Arizona since 2001.

2 8. Applicant does not currently provide COPT services in Arizona.

3 9. Applicant plans to provide end-users with 0+, 1+, local, calling card, long distance
4 service, and operator-assisted calls. A minimum of three-minute time limit will be allowed on local
5 calls.

6 10. On August 29, 2000, the Court of Appeals, Division One ("Court") issued its Opinion
7 in US WEST Communications, Inc. v. Arizona Corporation Commission, 1 CA-CV 98-0672, holding
8 that "the Arizona Constitution requires the Commission to determine fair value rate base ("FVRB")
9 for all public service corporations in Arizona prior to setting their rates and charges."

10 11. On October 26, 2000, the Commission filed a Petition for Review to the Arizona
11 Supreme Court. On February 13, 2001, the Commission's Petition was granted. However, at this
12 time, we are going to request FVRB information to insure compliance with the Constitution should
13 the ultimate decision of the Supreme Court affirm the Court's interpretation of Section 14. We are
14 also concerned that the cost and complexity of FVRB determinations must not offend the
15 Telecommunications Act of 1996.

16 12. On January 29, 2001, the Commission's Utilities Division Staff ("Staff") filed a Staff
17 Report, recommending approval of the application without a hearing.

18 13. Staff recommended that the Commission order Applicant to file a copy of its customer
19 information placard, in compliance with the Generic Tariff.

20 CONCLUSIONS OF LAW

21 1. Applicant is a public service corporation within the meaning of Article XV of the
22 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

23 2. The Commission has jurisdiction over Applicant and the subject matter of the
24 application.

25 3. The provision of COPT service in Arizona by Applicant is in the public interest.

26 4. Applicant is a fit and proper entity to receive a Certificate for providing COPT service
27 in Arizona.

28 5. Staff's recommendations in Findings of Fact No. 12 and 13 are reasonable and should

1 be adopted.

2 **ORDER**

3 IT IS THEREFORE ORDERED that the application of Coin Phone Management Company
4 for a Certificate of Convenience and Necessity to provide customer-owned pay telephone service
5 shall be, and is hereby, approved, conditioned upon Coin Phone Management Company filing a
6 customer information placard approved by the Director of the Utilities Division for compliance with
7 the requirements of the Generic COPT Tariff within 60 days of the effective date of this Decision.

8 IT IS FURTHER ORDERED that Coin Phone Management Company shall comply with the
9 terms of the Generic COPT Tariff, unless otherwise ordered by the Commission.

10 IT IS FURTHER ORDERED that Coin Phone Management Company shall file the following
11 FVRB information within 18 months of the date that it first provides service. The FVRB shall
12 include a dollar amount representing the total revenue for the first twelve months of
13 telecommunications service provided to Arizona customers by Coin Phone Management Company
14 following certification, adjusted to reflect the maximum rates that Coin Phone Management
15 Company requests in its tariff. This adjusted total revenue figure could be calculated as the number
16 of units sold for all services offered times the maximum charge per unit. Coin Phone Management
17 Company shall also file FVRB information detailing the total actual operating expenses for the first
18 twelve months of telecommunications service provided to Arizona customers by Coin Phone
19 Management Company following certification. Coin Phone Management Company shall also file
20 FVRB information which includes a description and value of all assets, including plant, equipment,
21 and office supplies to be used to provide telecommunications service to Arizona customers for the
22 first twelve months following Coin Phone Management Company's certification.

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

IT IS FURTHER ORDERED that within 90 days of the effective date of this Decision, Coin Phone Management Company shall notify the Compliance Section of the Arizona Corporation Commission of the date that it will begin or has begun providing service to Arizona customers.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____, 2001.

BRIAN C. McNEIL
EXECUTIVE SECRETARY

DISSENT
AG:dap

1 SERVICE LIST FOR: COIN PHONE MANAGEMENT COMPANY

2 DOCKET NO. T-03983A-01-0066

3

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